

Narrowing the Budget Gap: Draft FY16 Budget and Assessments, Priorities, Reductions and Challenges

1

PRESENTATION TO THE HARWICH SELECTMEN

SCOTT CARPENTER, SUPERINTENDENT

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JANUARY 26, 2015



Monomoy's Budgetary Priorities and Guidelines

2

- **Continue to deliver on the “Promise of Monomoy”**
 - Maintain our improved curricula,
 - Maintain the expanded opportunities,
 - Maintain enhanced educational experiences of our children, while
 - Keeping school expenditures lower, than if the towns continued to operate their schools independently
- **Maintain School Committee Class Size Guideline**
 - 19±2 students per class at the middle & high school level
 - 18±1 at the elementary level
- **Address staffing and programmatic needs to meet projected enrollment increases**
 - Add 1.0 FTE TV/Film/Media teacher at the high school
 - Add 0.4 FTE PE at the middle school

FY16 Draft **LEVEL STAFF** General Fund Budget presented December 10, 2014

3

Total Level Service Budget: \$36,049,770

Operating	\$ 33,203,294
Capital	\$ 348,000
CM/HS Debt	\$ 158,341
MRHS Debt	\$ 2,340,135

Factors Driving FY16 **LEVEL STAFF** Budget Increase Over Previous Year

4

Fewer School Choice Dollars Available	\$ 1,050,722
Staff Contractual Obligations with Steps	\$ 399,858
Other Post Employment Benefits (OPEB)	\$ 142,411
Service and Maintenance Contracts MRHS	\$ 191,000
Insurance (Health, Property, Liability)	\$ 324,343
Reduction in Circuit Breaker Funds	\$ 95,688
Capital Improvements	<u>\$ 348,000</u>
	\$ 2,552,022

The contracts with most staff (Units A and B), have an end date of June 30, 2015. This draft budget does not include any negotiated increases.

Having Fewer School Choice Dollars in FY16 is No Surprise

5

Monomoy's FY15 budget presentations to both towns explicitly warned of an over reliance of School Choice funds to “balance” the FY15 budget.

The remainder of the School Choice account, built up by tuitions received for students from other districts, was used to offset costs for FY15.

\$2,557,722 in FY15 costs were offset by the School Choice account. An anticipated \$1,507,000 in school choice tuitions will be received to offset the FY16 budget.

The \$1,050,722 difference between the School Choice funds used to offset FY15 and tuitions anticipated to be received in FY16 accounts for roughly half of the district's fiscal challenge.

Draft Level Staff Operating Budget \$ 33,203,294		
Revenues (FY15 numbers)		
Chapter 70	(\$2,708,296)	
E+D	\$0	←
Charter School	(\$142,833)	
Medicaid	(\$86,000)	
Interest	(\$4,000)	
Miscellaneous Revenues	<u>(\$12,500)</u>	
	(\$2,953,629)	
Transportation	<u>(\$844,313)</u>	
	(\$3,797,942)	
Total Operating Assessment		\$29,405,352

	Harwich	Chatham	Total
Required Minimum Contribution per DESE	\$11,428,918	\$4,089,455	\$15,518,373
CURRENT FY15 AMOUNTS			
	Harwich	Chatham	← In FY16, the 3-year avg. enrollment shifts by .65% towards Harwich
	73.65%	26.35%	
Funds Needed to Support District Budget	\$10,227,760	\$3,659,219	\$13,886,979
Operating Assessment Per Member	\$21,656,678	\$7,748,674	\$29,405,352
	Harwich	Chatham	\$844,313
	74.91%	25.09%	
Less State Transportation Aid			\$339,520
Transportation Assessment Per Member	\$378,140	\$126,653	\$504,793
	Harwich	Chatham	
	73.65%	26.35%	
Debt Assessment	\$1,840,128	\$658,348	\$2,498,476
	Harwich	Chatham	
	73.65%	26.35%	
Capital Assessment Per Member	\$256,302	\$91,698	\$348,000

Draft Level Staff Total Operating Assessment \$29,405,352

TOTAL FY16 DRAFT LEVEL STAFF ASSESSMENT	Harwich	Chatham	Total
Operating Budget	\$21,656,678	\$7,748,674	\$29,405,352
Transportation	\$378,140	\$126,653	\$504,793
Capital	\$256,302	\$91,698	\$348,000
	\$22,291,120	\$7,967,025	\$30,258,145
Debt	\$1,840,128	\$658,348	\$2,498,476
FY15 Assessment			
Operating Budget	\$19,486,696	\$7,069,729	\$26,556,425
Transportation	\$350,715	\$123,224	\$473,939
Capital	\$0.00	\$0.00	\$0.00
	\$19,837,411	\$7,192,953	\$27,030,364
Debt	\$569,017	\$210,459	\$779,476
Increases in Assessment	Harwich	Chatham	
Operating Budget	\$2,169,982	\$678,945	\$2,848,927
Transportation	\$27,426	\$3,428	\$30,854
Capital	\$256,302	\$91,698	\$348,000
	\$2,453,710	\$774,071	\$3,227,781
% Increase	12.37%	10.76%	11.94%
Debt	\$1,271,110	\$447,890	\$1,719,000
2.5% of Assessment Increase	\$495,935	\$179,824	\$675,759
PROBLEM over and above 2.5%	\$1,957,774	\$594,248	\$2,552,022

FY16 Reduced Staff Budget Assumptions

9

- 8% increase in Health Insurance
- 10% increase in Property, Worker's Compensation and Liability Insurance
- Level Revenues – use FY15 Cherry Sheet numbers
- Level Chapter 70 Aid
- Level Transportation Aid
- No change to Minimum Contribution Requirements

Revisions to the FY16 Draft Budget

10

Description	FY16 Draft Reduced Staff Budget	FY16Draft Level Staff Budget	Dollar Difference Revised to Draft
Salaries and Wages	\$9,176,420	\$9,806,949	(\$597,718)
Contract Services	\$384,004	\$368,686	\$15,319
Supplies and Materials	\$476,961	\$521,218	(\$44,257)
Custodial Supplies	\$69,500	\$70,543	(\$1,043)
Other Expenses including Utilities	\$660,029	\$740,313	(\$80,284)
Retirement Contributions Barnstable and OPEB	\$898,550	\$1,144,060	(\$245,510)
Insurance	\$3,852,351	\$3,785,440	\$66,911
Technology	\$8,213	\$22,630	(\$14,418)
Rental-Lease equipment	\$78,008	\$96,808	(\$18,800)
Virtual High School Tuition	\$6,000	\$0	\$6,000
TOTAL CHANGES OPERATING	\$16,608,766	\$17,522,567	(\$913,803)
Capital Improvement	\$250,000	\$348,000	(\$98,000)
TOTAL REVISIONS			(\$1,011,803)

These revisions are as of 1/14/2015 and the FY16 Budget will continue to be updated.

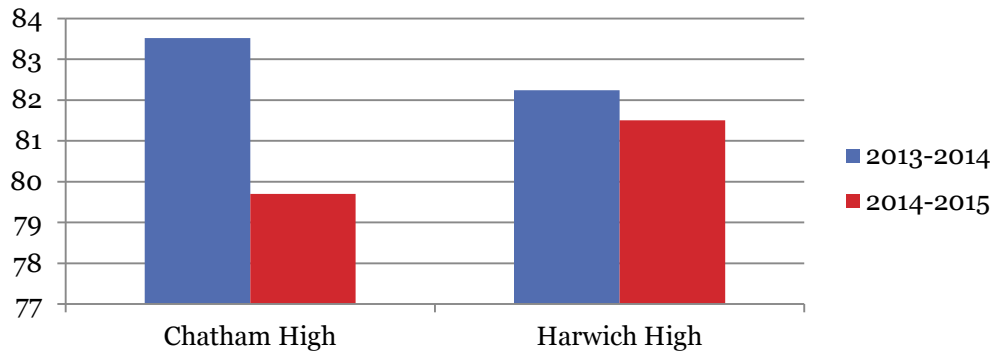
Superintendent's Recommendations to Narrow the Gap

- Cover as much of the funding gap with reductions and efficiencies “out of the classroom”
- Begin reducing Harwich Elementary School from 6 sections per cohort to 5 sections by reducing/eliminating kindergarten school choice in
 - 6 elementary sections per cohort in Harwich and 3 elementary sections per cohort in Chatham is not sustainable
 - $18 \text{ students/class} \times 9 \text{ sections/cohort} = 162 \text{ students per cohort}$
 - This would have potential high school enrollment at 810 in future years
 - $18 \text{ students/class} \times 8 \text{ sections/cohort} = 144 \text{ students}$ and future high school enrollment sustainably hovering around 700.
 - What's lost: 1 FTE and \$30,000 in school choice tuition, each year for the next four years.
- Shift from an 8-block schedule at the high school to a 7-block schedule
 - Both students and staff have advocated for a 7-block model, data support this shift
 - Reduces roughly 6 FTE
 - The districts and charter we generally compete with each run 7-block schedules
 - What's lost: A second elective block, limits choices, particularly for band/choral students
- Reduce 3 FTE from middle school
 - Keeping the academic program in place, but bringing class sizes in the 6th grade, 7th grade, and Languages closer to the School Committee guidelines of 19 ± 2
- Reduce 1 FTE clerical staff position from the district

Using Data to Guide Schedule/Budget Decisions that “Make Sense”

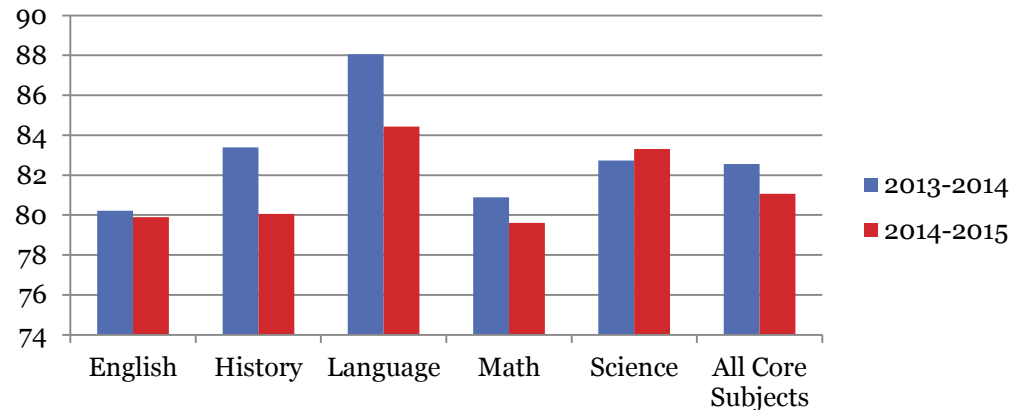
12

Monomoy Regional High School Average Qtr. 1 Grades by School



Last year, Harwich High operated using a 7-block schedule. Chatham High had 4-blocks one semester, 4 blocks the next.

Monomoy Regional High School Average Qtr. 1 Grades by Subject



On average, students realized better grades with last year's schedule, except in Science.

Cumulative Staff Reductions

13

As the district has regionalized, there has been a progressive reduction of staffing, which has reduced the cost to run our schools. Despite the staffing reductions, the program that is in place and will be in place with a FY16 Reduced Staffing Budget continues to deliver both savings and improvements to the curricula, educational program, and opportunities for our children.

FY13-14 Budgets	-10 FTE
FY15 Budget	-15 FTE
<u>FY16 Reduced Staffing Budget</u>	<u>-10 FTE</u>
	-35 FTE

Given the pressures of school choice and the potential loss of students to charter schools and other districts, it is important to maintain our programs.

FY16 Revised Draft General Fund Budget with Reductions 1/14/2015

14

FY16 Draft Level Service Budget	\$36,049,770
Reductions	<u>-\$ 1,011,803</u>
FY16 Draft Reduced Staff Budget	\$ 35,037,967

Reduced Staff Operating Budget	\$ 32,289,491
Capital	\$ 250,000
CM/HS Debt	\$ 158,341
MRHS Debt	\$ 2,340,135

The revised draft is a REDUCED STAFFING budget, incorporating a 10 FTE reduction.

Revised Reduced Staff Operating Budget with Reductions and Revenue Adjustments		
\$ 32,289,491		
Revenues (FY15 numbers)		
Chapter 70	(\$2,708,296)	
E+D	(\$600,000)	← Leaves 2.4% E&D
Charter School	(\$142,833)	
Medicaid	(\$86,000)	
Interest	(\$4,000)	
Miscellaneous Revenues	<u>(\$124,500)</u>	
	(\$3,665,629)	
Transportation	<u>(\$844,313)</u>	
	(\$4,509,942)	
Total Revised Operating Assessment		\$27,779,549

	Harwich	Chatham	Total
Required Minimum Contribution per DESE	\$11,428,918	\$4,089,455	\$15,518,373
CURRENT FY15 AMOUNTS			
	Harwich	Chatham	
	73.65%	26.35%	
Funds Needed to Support District Budget	\$9,030,356	\$3,230,820	\$12,261,176
Operating Assessment Per Member	\$20,459,274	\$7,320,275	\$27,779,549
	Harwich	Chatham	\$844,313
	74.91%	25.09%	
Less State Transportation Aid			<u>\$339,520</u>
Transportation Assessment Per Member	\$378,140	\$126,653	\$504,793
	Harwich	Chatham	
	73.65%	26.35%	
Debt Assessment	\$1,840,128	\$658,348	\$2,498,476
	Harwich	Chatham	
	73.65%	26.35%	
Capital Assessment Per Member	\$184,125	\$65,875	\$250,000

Total Revised Reduced Staff Operating Assessment \$27,779,549

TOTAL Revised Reduced Staff FY16 ASSESSMENT	Harwich	Chatham	Total
Operating Budget	\$20,459,274	\$7,320,275	\$27,779,549
Transportation	\$378,140	\$126,653	\$504,793
Capital	\$184,125	\$65,875	\$250,000
	\$21,021,540	\$7,512,802	\$28,534,342
Debt	\$1,840,128	\$658,348	\$2,498,476
FY15 Assessment			
Operating Budget	\$19,486,696	\$7,069,729	\$26,556,425
Transportation	\$350,715	\$123,224	\$473,939
Capital	\$0.00	\$0.00	\$0.00
	\$19,837,411	\$7,192,953	\$27,030,364
Debt	\$569,017	\$210,459	\$779,476
Increases in Assessment	Harwich	Chatham	
Operating Budget	\$972,578	\$250,546	\$1,223,124
Transportation	\$27,426	\$3,428	\$30,854
Capital	\$184,125	\$65,875	\$250,000
	\$1,184,129	\$319,849	\$1,503,978
% Increase	5.97%	4.45%	5.56%
Debt INCREASE	\$1,271,110	\$447,890	\$1,719,000
2.5% of Assessment Increase	\$495,935	\$179,824	\$675,759
PROBLEM over and above 2.5%	\$688,193	\$140,025	\$828,219

Continuing Efforts to Close the Gap and Unknowns

18

- The district has extended to its teachers and clerical staff an early retirement incentive. If staff elect for this option, it could potentially close the gap by an additional \$200,000, and help reduce budgets in future fiscal years.
- Chapter 70 State Aid and Required Minimum Contributions are unknown.
- Further reductions to the FY16 Reduced Staff budget will negatively impact programs, increase class sizes and reduce offerings....compromising the “Promise of Monomoy”